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“Helping Indonesia to Grow”

AMARTA

Quarterly Report of Project Activities and Achievements

Quarter Two, 2009

January I – March 31, 2009

Project Management

Monitoring and Evaluation

The following progress was made this quarter against the nine indicators that have been approved by USAID:

1a. Number of additional hectares under improved technologies or management practices

In quarter two 2009, AMARTA added **2,417 hectares** under improved technologies through implementation of value chain interventions including the following: Rubber (126 hectares), Cocoa (965 hectares), Vegetables (110 hectares), Tropical Fruit and Flowers (1,216 hectares).

1b. Number of additional units of animals, fish, and other aquaculture products under improved technologies or management practices

In quarter two 2009, AMARTA added **27,863 units** under improved technologies through implementation of value chain interventions, including the following: Beef Livestock (25 cows), Seaweed (1,340 lines), Baramundi Fish (1,498 kilograms), and grouper (25,000 fingerlings).

2. Number of producers organizations, water users associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance

In quarter two 2009, AMARTA assisted **260 associations and farmer's groups** through implementation of value chain interventions, including the following: Rubber (4 organizations). Beef Livestock (22 organizations). Vegetables (2 organization), Tropical Fruit and Flowers (138 organizations), and Regional Agribusiness and Competitiveness Alliances (RACAs) (94 organizations).

3. Number of agriculture related firms benefiting directly from USG supported interventions

AMARTA implemented activities in new partnership with **5 agriculture firms**, including:

- Amazing Farm, a West Java vegetables supplier
- Lotus Distribution, a West Java fruits supplier
- CV Hetts Biolestari, a cocoa pheromone supplier
- CV Intraco, a cocoa buyer
- Mr. Husni, a West Java vegetable supplier

4. Number of individuals who have received USG supported short term agricultural sector productivity training

AMARTA conducts training programs to provide knowledge on best agricultural practices in an effort to improve local farmer's harvesting capacity and to meet international standards. In quarter two 2009, **18,716 farmers (14,935 men (80%) and 3,781 women (20%))** participated in agribusiness trainings, including the following: Rubber (137 participants), Cocoa (15,709 participants), Coffee (790 participants), Vegetables (237 participants) Tropical Fruit and Flowers (1,449 participants), Aquaculture (50 participants) and Regional Agribusiness and Competitiveness Alliances (344 participants). The training has proven to improve overall yields and post harvest handling practices and increase sales for farmers as illustrated in many sections of this report.

5. Percent change in value of international exports of targeted commodities as a result of USG assistance

The following exporters reported significant export value increases compared to last year's comparable quarterly sales:

Coffee Aceh, PT. Gajah Mountain Coffee: export value increased 100% or \$1,109,790

Cocoa Bali, PT. Big Tree Farms: export value increased 1,269% or \$19,330

Cocoa South & Southeast Sulawesi, PT. Olam Indonesia; export increased 467% or \$3,336,994

Cocoa West Sulawesi, UD Tunas Jaya: export increased 67% or \$ 2,663,779

SCAI members: export value increased 30% or \$142,000

6. Percent change in value of purchases from smallholders of targeted commodities as a result of USG assistance

Impact of USG assistance has also produced additional positive results in the value of purchases from smallholders compared to last year's comparable quarterly sales:

Coffee Aceh, PT. Gajah Mountain Coffee: value of purchases increased 100% or \$817,826

Cocoa Bali, PT. Big Tree Farms: value of purchases increased 2,189% or \$12,459

Cocoa South & Southeast Sulawesi, PT. Olam Indonesia; value of purchases increased 419% or \$ 3,040,395

Cocoa West Sulawesi, UD Tunas Jaya: value of purchases increased 348% or \$2,447,647

Seaweed in Gorontalo: value of purchases increased 100% or \$221,863

7. Number of new technologies or management practices made available for transfer as a result of USG assistance

AMARTA activities have introduced **5 new technologies** or management practices available for transfer to farmers this quarter, including:

Seaweed: Hang drier

Broccoli: Application of remay and plastic and remay row cover

Rubber: Branching induction for clonal rubber by fold

Cocoa: Pheromone trapping

Strawberry: Ice gel pack making and strawberry delivery cooling

8. Number of additional surveillance and/or control systems in place for agricultural threats
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This quarter AMARTA activities have not introduced any new control systems.

9. Number of public private partnerships formed as a result of USG assistance
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This quarter, AMARTA activities have not established any new **public private partnerships** to enhance agribusiness interventions.

AMARTA Quarterly Implementation

During the quarter, AMARTA and USAID completed final negotiations on March 4th, 2009 that significantly reduced the program budget by more than \$1.2 million and removed rubber, seaweed, and floriculture activities in their entirety, as well as portions of coffee and aquaculture activities. On March 3rd, USAID Jakarta officials, John Penell, Joe Goodwin and Anna Juliastuti, visited the AMARTA Jakarta office for a presentation on activities, lessons learned, accomplishments, and recommendations for future actions. The detailed discussion was focused on four areas of AMARTA's interventions: cocoa, coffee, and horticulture value chains, as well as policy and regulatory enabling environment.

AMARTA Grants Program

In the second quarter of 2009, AMARTA released one new grant to support horticulture activities in West Java, managed by IVEGRI- a national research institute working to strengthen the horticulture value chain in the region and support local farmers by providing high quality seeds and good agriculture practices. The grant approved for this project was \$13,788 to be used in developing several demonstration plots at IVEGRI's site and in farmers' fields. Activities included testing some selected varieties of potato, broccoli, and other high value varieties, and technical assistance on farm management and nursery techniques.

AMARTA continued managing 15 active grants valued at \$968,824, and worked closely with grantees to begin closing out technical activities and providing all required financial and monitoring reports to ensure grants are substantially completed by July 2009 as AMARTA closes down the project.

During the quarter, AMARTA received two additional proposals requesting financial assistance from partners to implement high impact short-term activities, including the following:

- Specialty Coffee Association of Indonesia requested AMARTA to support Q-grading certification training, traceability through geographical indication, and to promote specialty coffee in Indonesia in order to attract worldwide buyers.
- UNPAD Community Services requested AMARTA support in developing the Horticulture Value Chain Center in West Java.

AMARTA will consider these proposals and determine possible opportunities for assistance and collaboration in conjunction with USAID.

Advocacy for Improved Enabling Environment

Network and Partnership Development

Partnership with Directorate General of Estate Crops

On February 16th, AMARTA presented a presentation titled “Social Economic and Technical Impacts of the ASKA Program” before seven high ranking officials at the Director General (DG) of Estate Crops. The DG appreciated AMARTA’s contributions and welcomed AMARTA’s involvement in the newly launched National Movement for Cocoa Revitalization. It was agreed that AMARTA will engage in relevant Government of Indonesia (GOI) programs with supporting materials as requested.

Network with Cocoa Stakeholders

From February 16th-21st, AMARTA facilitated multi-stakeholder field visits to intervention sites in West and South Sulawesi. The group consisted of AMARTA COTR, Anna Juliastuti, representatives from the DG of Estate Crops, South Sulawesi Estate Crops Services, and ICCRI. It was concluded by the participants that AMARTA has a solid market driven program enhancing cocoa production and quality. It was suggested that AMARTA’s approach should be replicated by the GOI.

Regional Agribusiness Competitiveness Alliance (RACA): Establishment and Activation

Activation of the Karo Horticulture Community

In AMARTA’s Kabanjahe office on February 19th, the Karo Horticulture Community (MHK) held a workshop for writing policy briefs and developing proposals. The proposals created during the training were submitted to provincial leaders, including Mr. Yopie Batubara, Senator of North Sumatera, during a session in Medan on March 5th.

AMARTA also facilitated the MHK on-air interactive dialogue on the popular local radio station named “Ersena” on February 28th. The show discussed horticulture production, emphasizing citrus, potatoes, chili, and other vegetables. Listeners enthusiastically participated, not only those who live in Karo, but also in the neighboring regencies such

as: Simalungun, Asahan, Dairi, and Deli Serdang. There were more than 100 inquiries raised by farmers through cell-phone short messages (SMS). Some questions also came from government field extension workers. The program strengthens the alliance's existence and its members proudly claim that their organization is gaining more popularity in the farmer communities in Karo District.

Policy and Regulatory Dialogue with the Government of North Sumatera

AMARTA held a workshop titled “Creating an Enabling Environment for Competitiveness of Horticulture Value Chains in North Sumatera Province” in Medan on March 5th. This event

facilitated the two district level alliances to execute a policy advocacy dialogue at the provincial level. The workshop was a collaborative activity between AMARTA, the Governor of North Sumatera, and Yopie Batubara-Indonesian Senator of North Sumatera. The workshop was opened by The Head of BAPPEDA, David Anderson, AMARTA COP, and Senator Batubara and attended by 171 participants.



North Sumatera government staff with AMARTA participants

Activation of the Tabanan Cocoa Community Alliance AMARKATA)

AMARTA facilitated AMARKATA and the Estate Crops & Forestry Services discussion regarding proposals that would be submitted to the Governor of Bali and Bupati of Tabanan on January 16th at the Tabanan Office of Estate Crops and Forestry Services, and on January 20th at the AMARKATA Secretariat. Two proposals requesting the provision of “Pheromone-based Cocoa Pod Borer” and “Cocoa Post-Harvest Equipment” were completed and presented and submitted to the Governor of Bali and the Bupati of Tabanan.

On January 31st at the Bali Legislative Office, Denpasar, AMARTA facilitated a dialogue between the Bali Governor and AMARKATA. The Governor was impressed with the presentation and proposals and asked the head of the Bali Office of Estate Crops Services to review the proposals and send two of their officials to visit the alliance. The Bali Office of Estate Crops Services stated that based on the Governor's positive response, the proposals would be included in the next development budget package.



AMARKATA officials present proposals to the Governor and Vice Governor of Bali

On February 2nd, AMARTA facilitated a meeting with AMARKATA and the Bupati of Tabanan where the alliance requested support for their proposals. The Bupati promised to immediately provide 200 pheromone traps, valued at Rp. 12,000,000 (\$1,333), that would be distributed to participating farmer's groups.

Establishment of the Jembrana Cocoa Community Alliance

On February 27th a workshop was held titled "Improving Jembrana Cocoa Competitiveness" as a step toward establishing a RACA-like alliance in Jembrana Regency, in collaboration with the Government of Jembrana at the Bupati's Office. AMARTA will provide the first training session in April 2009.

Establishment of the West Java Agribusiness Action Group

In an effort to accommodate agribusiness policy gaps, AMARTA in collaboration with the Social Service Institute of Padjadjaran University [LPPM-UNPAD] sponsored the establishment of the West Java Agribusiness Action Group (WJAAG). Members of this organization come from agribusiness enterprises, as well as supporting institutions such as the government, banks, professional organizations, and universities. In January 2009, the group conducted two roundtable discussions: one on January 22nd hosted by The Indonesian Animal Husbandry Scholar Association (ISPI), a WJAAG member, and attended by around 60 participants, in order to discuss dairy import tariff policies. As a result of this initiative, WJAAG produced a policy brief submitted to the DG of Livestock and other policy making institutions for implementation. On January 27th, the group conducted another important event to bridge communication gaps related to agro-finance, which was attended by 76 participants. Ir Setra H, the Secretary of the



West Java Provincial Development Planning Board (BAPPEDA), explained the West Java agribusiness development plan and introduced a program called the Multi Activities Agribusiness Movement (GEMAR); Dr. Hernawan, the Real Sector and Micro, Small, and Medium Enterprises Empowerment Team from the Central Bank of Indonesia, presented the Bank's policies on empowering SMEs; and Prof. Bustanul Arifin of Lampung University and INDEF, discussed agro-finance problems and solutions.

Participants at the West Java Action Group meeting

Establishment of the Value Chain Center

AMARTA and LPPM-UNPAD agreed to broaden the scope of activities by establishing a Value Chain Center (VCC). AMARTA will provide computer equipment and furniture in order to improve West Java agribusiness competitiveness. The center is also expected to play an important role in helping the government to establish an agribusiness enabling environment, assisting farmer's institutional strength and extension-research linkages.

It is expected that these activities will contribute to improved quantity, quality, and continuity of agriculture, West Java high-value horticulture competitiveness, a more integrated agribusiness development program between regencies in West Java, and the improvement of farmers' capability in business interactions with their business partners.

Aquaculture

Black Tiger Shrimp Development in Bireuen Aceh

In January 2009, PT. Aceh Windu Lestari (AWL) conducted a water sample examination at the request of the Brackish Water Aquaculture Center (BBAP) Ujong Batee – Banda Aceh and UN-FAO in order to survey the shrimp ponds and rivers in the area of Northern Aceh, Bireuen, Aceh Besar examining 200 samples of water chemicals and 100 samples of phytoplankton. Results of the testing showed a significant reduction in germ load found, particularly in the vibrio count.

In February 2009, AWL and AMARTA provided technical assistance and training to the managers of shrimp pond groups in Bireuen on two issues:

1. Environmentally friendly shrimp cultivation techniques, sustainable traditional patterns, and milkfish – shrimp rotation.
2. Training for hatchery managers of virus-free shrimp fry using virus-free parents, antibiotic free samples, sanitation, bio-security, and examination of water sources used in supplying shrimp fry to the laboratory.

AWL also promoted available services and conducted laboratory testing activities for clients, such as: examining water samples, shrimp fry, parent shrimps for hatcheries, and completing PCR tests and reagent connections.



Training local shrimp farmers



Testing water samples at AWL

Grouper Fish Grouper Nursery and Grow Out Development in Loh Mbongi

During the quarter, significant achievements were completed by PT. Karamba who installed two new generators each running 12 hour daily shifts. Electrical wiring was installed to the end of the pier and the wooden pier is also being renovated with new

wood planking. The nursery facility building is finished and a new fence has been erected around the facility. Twenty-two new fiberglass nursery tanks have been installed and plumbed, six additional fiberglass tanks have been constructed and are being shipped from Bali, while the final four fiberglass tanks are under construction and will be delivered to complete the final quantity of 32 fiberglass nursery tanks. Two new blowers to aerate the nursery tanks have been purchased, and an electrician is scheduled to install the wiring in early April. Once the blowers are installed, use of the 22 installed tanks will immediately begin.

The hatchery facility building enclosing six new hatchery tanks is completed and the equipment is installed and operating effectively. These tanks are now stocked with different ages of eggs, fries, and fingerlings. The water treatment system was purchased and is awaiting final installation and use while a key operating component spare part is located and purchased to ensure continuous operation. The older hatchery tanks are all in operation, with 25,000 fingerlings ready or almost ready for sale to various customers who are planning to pickup the fish directly at the facility. PT. Karamba has demonstrated its ability to produce the targeted 20,000 fingerlings per month, and 5,000 large fingerlings will be transported to Warloka in April.

Grouper Grow Out Development in Warloka

The Warloka fishing village net cage fingerling grow-out operation has achieved success beyond what was previously imagined; 5,000 mouse grouper fingerlings averaging 500 grams will be ready for sale in mid-June, roughly 90 days ahead of schedule. The 2,500 kilograms estimated weight will be sold for a price between \$38-42 per kilogram, representing substantial income to the village of approximately Rp.1.1 billion (\$95,000). The growth rate of the fingerlings is faster than projected, and it is now estimated that the grow-out time to 500 grams will only take approximately 14-15 months, instead of the 18 months estimated. As a result of this initiative, Warloka Village will see major changes in their livelihoods as participating fishermen and their families earn significant profits from the first sale of fish, and can re-supply and sustain the operations to earn additional income in a shorter amount of time than previously envisaged.

Livestock

The AMARTA livestock value chain grant activity in Kupang implemented with subcontractor NCBA and local partner PUSKUD NTT continued during the quarter with extension agent assistance to the smallholder cattle grantees. The advent of the rainy season helped to produce better grass and legume tree feed conditions, resulting in improved animal health and breeding capability. A survey was conducted to determine the number of dead or infertile cows, and these will be replaced by PUSKUD NTT in April. Non-performing bulls will also be identified and replaced at the same time.

Artificial insemination as a practice for breeding has not been well adapted by the farmers due to local traditions and unfamiliarity with this technology, despite trainings conducted to demonstrate this technique. A further complication to adapting the

technology is failure in previous efforts by the government veterinary service which did not result in favorable results.

Farmer excitement to participate in the pilot project continues as PUSKUD NTT is attempting to replicate the activity by cooperating with the Dinas Peternakan, Directorate General of Livestock Services, and local banks to provide government sponsored soft loans to interested farmers. The pilot project has been recognized by the new Head of Livestock Services, Dinas Peternakan hopes to use it as a model for developing a cattle breeding program in West Timor. Additional lessons learned include better project management governance practices with the smallholder farmer groups; improved animal husbandry practices for breeding cattle by confined animal rearing; and use of animal manure for fertilization of corn and other crops.

Bio-fuels

AMARTA's pilot program in bio-fuels is assisting farmers' groups in the villages of Legu and Uluwae, on the island of Flores, to demonstrate technologies that can substitute jatropha oil for fossil fuels. 100,000 jatropha seedlings have been planted to supplement existing hedges and stands of wild jatropha.

The jatropha seedlings that were planted in Legu are growing very well. Farmers there are currently being trained to prune their plants, which will increase yields and keep the plants short, so they are easy to harvest. In Uluwae, the plants are growing slowly, due to the cloudy, cold weather in this area.

Farmers in both locations are currently harvesting their trees. In Uluwae, the first harvest will be limited, due to the small size of the plants. The farmers' group in Uluwae is making arrangements to purchase jatropha seed from a nearby village with wild plants at lower altitude.

AMARTA is working with Bosch Siemens Hausgerate (BSH) to introduce a cooking stove which burns crude jatropha oil. BSH, a German manufacturer of small appliances, has developed the Protos stove for households in developing countries. It can use palm, coconut, jatropha and other plant oils. The first demonstration of the Protos in Flores is scheduled for April. In May, AMARTA and BSH plan to distribute 30 stoves on a pilot basis, to gauge the reactions of users.

Cocoa

AMARTA Sulawesi Kakao Alliance (ASKA) Training Program Overview of Farmer Training Activities (December 2008-March 2009)

ASKA Farmer School Training activities were conducted for 635 farmer's groups (FGs) during December 2008 to March 2009 across South, Southeast and West Sulawesi - covering approximately 15,875 cocoa smallholders. Approximately 7,250 cocoa farmers received training support covering both on- and off-farm practices during five to six

months of intensive training. In December 2008, a total of five training topics were taught to 300 FGs across the three target provinces. In South Sulawesi, 80 FGs (approximately 2,000 farmers) from Pinrang and North Luwu Districts participated in training through to the middle of December 2008. A total of 2,041 farmers attended training with 446 (or 22%) attendance by female participants (see Table I).



Cocoa training in Northern Sulawesi

In Southeast Sulawesi, 150 FGs (approximately 3,750 farmers) participated in AMARTA farmer school training, 80 FGs from Kolaka District and 70 FGs from North Kolaka District. Total participants from Kolaka and North Kolaka exceeded target numbers with 3,813 farmers attending training, including 569 females (15%).

In West Sulawesi, 60 FGs (approximately 1,500 farmers) from Polewali Mandar (Polman) District participated with 1,486 farmers, of this 287 were women (19%) see Table I.

Table I Summary of ASKA topics and participants at cocoa training in December 2008

Time	Topics	Attendance		
		Total	Male	Female
December 2008 (Weeks 1 and 2)	Cocoa bean sorting and appropriate storage (70 FGs)	1,730	1,324	406 (23%)
	Cocoa bean grading and drying techniques (80 FGs)	2,013	1,662	351 (17%)
	Cocoa Clinic (10 FGs)	272	227	45 (17%)
	Defining cocoa bean quality (70 FGs)	1,559	1,345	214 (14%)
	Fertilizing (70 FGs)	1,766	1,480	286 (16%)
Total (300 FGs)		7,340	6,038	1,302 (18%)

ASKA Training Activities January through February 2009

In January and February 2009, the ASKA cocoa training program continued assistance to smallholder cocoa farmers. The training in January targeted 577 active ASKA FGs from five districts (North Luwu, Pinrang, Kolaka, North Kolaka, and Polman Districts) across three Sulawesi Provinces. Training activities were conducted in selected farmer gardens and focused on encouraging proper pruning to stimulate production while addressing pest and disease management issues. A total of 14,187 farmers attended with 2,224 (16%) females. Participant data for the second topic (fertilizer application and pod sleeving) includes the period from February 19th through March 16th. Training for the second topic began on February 19th, with attendance by 14,260 farmers; of these 2,369 (17%) were female (see Table 2).

Table 2 Summary of participants at ASKA cocoa training (January/February 2009)

Time	Topics	Attendance		
		Total	Male	Female
Production pruning (23 Jan - 21 Feb 2009)	Southeast Sulawesi (300 FGs)	7,526	6,528	998 (13%)
	South Sulawesi (159 FGs) ¹	3,729	3,062	667 (18%)
	West Sulawesi (118 FGs) ²	2,932	2,373	559 (19%)
Total (577 FGs)		14,187	11,963	2,224 (16%)
Fertilizing and pod sleeving (24 Feb – 16 Mar 2009)	Southeast Sulawesi (300 FGs)	7,501	6,459	1,042 (14%)
	South Sulawesi (159 FGs)	3,685	3,075	610 (17%)
	West Sulawesi (118 FGs)	3,074	2,357	717 (23%)
Total (577 FGs)		14,260	11,891	2,369 (17%)

ASKA Garden Evaluation, Rehabilitation and Replanting Training in Mamuju

The decline in productivity linked with Vascular Streak Dieback (VSD) *Oncobasidium theobromae*, trunk kanker, and black pod (*Phytophthora palmivora*) has been severe in some locations with production declines dropping to 200 kg per hectare per year. The Indonesian Government has responded by declaring an \$87 million, three year rehabilitation and replanting program (1.3 Trillion Rupiah). Some 8-10 months prior to this declaration, the AMARTA team identified and conveyed the extent of the issue to key stakeholders in April 2008, particularly ASKINDO, who upon consultation and confirmation with its industry members, began to lobby for government support.

AMARTA prepared a strategy and technical materials with input and comment on the recommended interventions from world experts on VSD and *Phytophthora palmivora* and government stakeholders to enhance the ASKA training. Subsequent to this time, AMARTA also developed a training program and training materials that are currently being used in Mamuju District. This specialized training program was initiated in the last week of September 2008, with approximately 60 FGs from Mamuju. There are currently 58 FGs or approximately 1,450 farmers enrolled in the training program.



A farmer in Mamuju District with improve cocoa yield

¹ In North Luwu, one farmer group Mekar Jaya (Buagin Village, Kec. Sabbang) discontinued training with farmers relocating to other areas to conduct gold mining while other farmers converted to other commodities.

² In Polman, West Sulawesi 2 farmer groups discontinued ASKA training Samaturu (Beroangin Village, Mapili Kec) and Cinta Damai (Amasangang Village, Binuang Kec.) as the farmer groups were no longer active with members i) relocating to other areas, ii) changing to alternative commodities, and iii) others selling their cocoa gardens.

Table 3 Summary of ASKA topics and participants at Mamuju cocoa training December 2008 through February 2009

Time	Topics	Attendance		
		Total	Male	Female
15 Dec 2008 - Jan 2009	Seedling management (58 FGs) ³	1,439	1,299	140 (10%)
February 2009	Clonal selection (58 FGs)	1,449	1,334	115 (8%)
March 2009	Side-grafting and Chupon Grafting (58 FGs)	1,464	1,347	106 (7%)

Training of Trainers for AMARTA field staffs

The AMARTA Sulawesi Kakao Alliance (ASKA) program initially conducted a capacity building training for 12 farmer trainers in April 2007. Since this time the ASKA program has conducted a number of Training-of-Trainers (TOT), capacity building, and key coordination meetings with field training personnel. As the program moved into the final phase of implementation- a four day training event was scheduled between January 12-16th at Masamba, North Luwu, South Sulawesi. The event was officially opened by the head of the North Luwu District Estate Crops Office, with 39 field staff from the ASKA program attending. This event enabled a range of important activities including exposure to advanced cocoa technical materials, site visits, staff capacity building, and evaluation and feedback on implementation.

USAID and GOI visit ASKA program in Mamuju and Polman Districts, West Sulawesi

Between February 17-20th the ASKA program hosted a field trip for key cocoa stakeholders beginning in Mamuju, West Sulawesi the field tour traveled overland to Makassar visiting ASKA cocoa training locations in Mamuju, Polman and Pinrang Districts (West and South Sulawesi). Participants included the AMARTA USAID Contracting Officer's Technical Representative (COTR), Anna Juliastuti, as well as four representatives from the Directorate General of Estate Crops (DIRJENBUN), one representative from the Indonesian Cocoa Board (DEKAINDO), one representative from the Indonesian Coffee and Cocoa Research Organization of Indonesia (PUSLITKOKA), and representatives from both district and provincial estate crops offices in South and West Sulawesi.

The goal of the event was to explore progress and benefits experienced by cocoa farmers through interactive dialogues with farmers who had participated in the ASKA program, while also enabling the visitors to observe a variety of ASKA program value chain activities that included aspects related to improved on-farm management, improved cocoa quality, and market access to exporters vis-à-vis AMARTA's private sector partners. The delegation visited farmers' farms in Mamuju and Polewali Mandar

³ In November 2008, two farmer groups from the Mamuju training program, Bunga Malu Kassa and Kassa decided to discontinue after a landslide destroyed their gardens in Sinyonyoi Village.

Districts, West Sulawesi and toured ASKA partner's facilities such as UD Tunas Jaya buying stations at Tarailu, Kanasuang, and Polman and PT Olam Indonesia in Pinrang. The delegation also visited AMARTA's garden evaluation, replanting and rehabilitation program in Mamuju visiting farmers involved in the program in Tasiu and Tarailu.

"The ASKA program can be sustained by related offices and in cooperation with private sector partners, including collecting traders." Mrs. Subiyanti Marwoto from DEKAINDO

"It is the wishes of all related parties to replicate the patterns that AMARTA has developed, so the assistance can be continued." Mr. Sahat Sinarmata from Sulawesi Estate Crops Office

Presentation to the Directorate General of Estate Crops and USAID

AMARTA technical personnel attended a meeting with the Director of Estate Crops DG, Dr. Ahmad Manggabarani, and his staff on February 15th. During the meeting AMARTA had a chance to present progress and results of the ASKA program after one and a half years of program activities utilizing dynamic farmer school training models targeting 20,500 cocoa farmers in three Sulawesi provinces. A second briefing was made to USAID at the AMARTA office on March 3rd to USAID's Economic Growth Director John Pennell, Senior Economic Growth Advisor Joe Goodwin, and AMARTA COTR Anna Juliastuti. The following summarizes key points made at both presentations:

- Increased Production –55% of cocoa farmers from West Sulawesi, 44% from South Sulawesi, and 42% from Southeast Sulawesi have seen an increase in 2008 production as compared with 2007.
- Improved access to market and price – A total of 82% of farmers accessed ASKA partners through their buying stations as compared with an initial 4% in June 2007. Results show that, farmers selling to ASKA partner buying stations receive on average a 20-30% higher price per kg as compared with farmers who sell through local trading networks.
- Improved Cocoa Quality – During the peak harvest season in May 2008, 57% of farmers were achieving bean count and 32% were able to achieve moisture content as per export standards compared to February 2008 when only 4.8% of farmers were able to meet export standards for their cocoa.
- Average discounts against poor quality cocoa – in February 2008, was initially Rp. 1,617 per kg, but by November 2008 discounting for poor quality had decreased to an average of Rp. 433 per kg; meaning an improvement linked with quality of an average of 1,184 Rupiah per kg.
- Industry record purchases from smallholders – All ASKA private sector partners are showing increased volume purchased from smallholders. PT Olam Indonesia had a 64% increase, with UD Tunas Jaya experiencing a 40% increase, while PT JBP Armajaro reported a 24% increase.
- Increased income – 68% of farmers in West Sulawesi, 59% in South Sulawesi and 59% in Southeast Sulawesi reported increased gross income in 2008. The increased gross income is assumed to be linked to a range of factors including: i) improved

cocoa price, ii) improved production, iii) reduced damages from pest/disease, iv) improved market access, and v) improved cocoa quality.

Cocoa Information Centers in North Luwu and Mamuju District

Two cocoa information centers were recently established one in North Luwu District, South Sulawesi and the second in Mamuju District, West Sulawesi providing cocoa farmers with information relevant to both on- and off- farm management. Besides, technical assistance from field staff, the centers also supply information and updates of other AMARTA activities via a range of materials. Even though the centers are primarily aimed at cocoa farmers, there are also visits from government officers, students, village heads, as well as other community leaders.

“With this cocoa information clinic, I have a place to go to ask about production methods of fertilizers, maintenance of side-grafted plants, and resolving pod rot issues.”

Mr. Suana, a 65 year old farmer of Tunas Baru Farmer’s Group, South Sulawesi

SustaIndonesia Kakao Alliance (SKA) - Smallholder Training in Bali

The SKA training program began a second activity in Jembrana District, Bali after having completed training for farmers in Tabanan District. Beginning in August 2008, training in Jembrana District was implemented within 40 FGs. A total of 32 FGs are located in Mendoyo Sub-district covering nine villages with eight FGs located in Pekutatan Sub-district across six villages. There are approximately 1,000 cocoa farmers who are actively involved in SKA training with each FG normally consisting of 25 farmers. Although the training implementation is currently focused in Jembrana District, AMARTA provides technical assistance to graduated cocoa farmers from Tabanan District via the ARMAKATA forum. AMARTA has trained local agricultural extension staff who are also working in helping cocoa farmers to improve cocoa productivity and quality in Jembrana.



Farmers preparing better sanitation



Farmers practicing side grafting

During the quarter, the average number of participants attending training at each topic was 1,004 farmers. Detailed information about participants at trainings can be seen in Table I below.

Table I. Number of participants of SKA basic training Cycle II (January-March 2009)

No	Modules	Month	Farmers (persons)		Sum	PPL	BTF	Others	Total
			Male	Female					
1	Cocoa bean sorting and drying techniques	Jan.'09	955	47	1,002	2	0	0	1,004
2	Fermentation	Jan.'09	962	42	1,004	5	1	2	1,012
3	Pruning I	Feb.'09	959	48	1,007	5	2	4	1,018
4	Preparing organic fertilizer	Feb.,209	961	42	1,003	6	1	7	1,017
5	Rehabilitation of cocoa tree/seedling	March'09	966	39	1,005	4	0	4	1,013
6	Chupon grafting	March'09	961	42	1,003				1,003
Total			5,764	260	6,024	22	4	17	6,067
Average			961	43	1,004	4	1	3	1,011

Involvement of Agricultural Extension Workers in SKA Training

Six Agriculture extension workers from Jembrana District Office of Agriculture, Forestry, and Marine participated in the trainings held during this quarter. Their involvement started in the beginning of SKA training in Jembrana District during the socialization of the program conducted in August 2008. The participation of the extension agents has also served to help motivate SKA farmers to be more active and participate in the training and apply AMARTA recommended practices. AMARTA believes the extension agent's participation is important since they will be able to continue educating farmers beyond the end of the AMARTA program.



An agriculture extension agent works together with farmers on tree pruning

"I am very happy to join field school training employed by AMARTA with participatory approach. Farmers have gradually seen the impacts of SKA training, particularly on tree pruning and side grafting. After AMARTA gave knowledge and skill on how to practice tree pruning, farmers then did it on their trees and have seen amazing results."

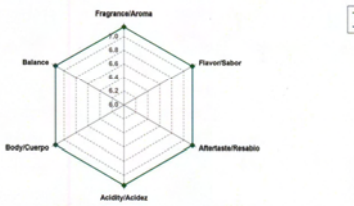
Sunarya, a participant in SKA trainings

Coffee

Arabica Coffee

AMARTA is supporting the activities of the Specialty Coffee Association of Indonesia (SCAI), which now has 61 members from all segments of the industry. The largest segment continues to be exporters, followed by farmer's cooperatives and retailers. The seven coffee cooperatives that have joined the association have 8,050 members. SCAI members export or roast 66% of Indonesia's Arabica coffee, worth \$130 million per year.

An important goal of SCAI is to increase the quality of Indonesia's Arabica coffee. The first step in this process is for the industry to adopt a common system for measuring and describing coffee quality. The Q-System, developed by the Coffee Quality Institute (CQI) in the United States, is the most commonly used method in both producing and consuming countries.

Technical Report					
SUMMARY OF RESULTS					
Country of Origin:		Number of Bags:			
Farm Name/Nombre Finca:		Bag Weight:			
Lot Number/Numero de lote:		Grading Location:			
Mill/Beneficio:		Coffee Year:			
ICO Number:		Grading Date:			
Exporter:		Other Sample #:			
DIFFERENTIATION AND QUALIFICATION					
	BASELINE	SAMPLE		BASELINE	SAMPLE
Fragrance/Aroma	7.14	0.00	Uniformity	10.00	0.00
Flavor/Sabor	7.14	0.00	Clean Cup/Limpieza	10.00	0.00
Aftertaste/Resabio	7.14	0.00	Sweetness/Dulzor	10.00	0.00
Acidity/Acidez	7.14	0.00	Cupper Points/Puntaje Catador	7.16	0.00
Body/Cuerpo	7.14	0.00			
Balance	7.14	0.00			
Cup Grade			TOTAL CUP POINTS	80.00	0.00
			Classification	Below Specialty Grade	
Green Grading	Moisture	0.0%			
	Category 1 Defects	0			
	Category 2 Defects	0	Classification	Q Grade/Specialty	
	Total Green Defects	0			
Roasted Coffee					
	# of Quakers	0	Classification	Q Grade/Specialty	
			Final Classification	Below Specialty Grade	
					

In January, two trainers from CQI trained and certified 24 members of the Indonesian coffee industry to use the Q-System. These licensed Q-Graders join about 500 other graders around the world. Any member of SCAI can now request Q-Grading for their coffee, at a fee of Rp 1.5 million. The report gives the coffee a numerical score and a description of the flavor attributes of the coffee in the format shown at left. CQI lists all Q-Graded coffees on their web site and maintains a list of buyers who are willing to pay a premium for Q-Grader coffee.

In March, SCAI worked with the Aceh Coffee Forum (ACF) in Takengon to hold a workshop on Geographical Indications (G.I.) ACF, which is a SCAI member, is interested to developing a G.I. to protect and promote

the name Gayo, which is a well known origin for Indonesian coffee. Forty-two people attended the workshop, which was opened by the Vice-Bupati from Aceh Tengah.

In November 2008, SCAI hosted a visit by five coffee roasters from the United States and Europe. Four of the roasters were visiting Indonesia for the first time, and they made contacts with exporters in Sumatra and Sulawesi. Based on these contacts, the roasters purchased \$609,000 worth of Indonesian coffee during the reporting period. This link www.sweetmaria.com/coffee.indonesia.sulawesi.php describes three coffees from Sulawesi that were purchased after the SCAI trip.

AMARTA Coffee Grantees

AMARTA continued to monitor and support its two grantees in the coffee sector, PT. Gajah Mountain Coffee in Aceh and C.V. Lion Lestari in Flores, both of whom are SCAI members. The cooperatives working with both companies have completed their applications for Fair Trade certification, and are now awaiting inspection.

Between January and March, P.T. Gajah Mountain Coffee exported six containers of organic certified coffee and nine containers of non-organic coffee, worth a total of \$1,109,790. Sales were up 85% over the previous quarter. The organic coffee received premium of \$.12 per kilo, demonstrating the value of this certification for Indonesian coffee. Farmers in the Gayo Mountain Cooperative received an average price of Rp. 33,000 per kilo, for a total of \$855,000. This price is significantly higher than the prevailing price of Rp. 25,000 to Rp. 26,000 in the Takengon area at the time.

CV Lion Lestari installed processing equipment at their facility in Flores, in preparation for the harvest, which begins in late April.

Brocap trap to combat Coffee Cherry Borer

The Coffee Cherry Borer (CCB) is a major coffee pest in Indonesia. AMARTA and its partners have distributed 1,000 Brocap Traps to 150 farmers in Sidikilang, Toraja and Aceh to capture CCB. The performance of these traps was monitored by counting the number of damaged coffee cherries on selected branches of sample trees. The data showed that the traps reduce CCB damage by 10% to 15%. At this level, farmers who sell their coffee in green bean form can recover the cost of the traps and attractant in less than one year. Indo Cafco, a member a SCAI, has requested government authorization to manufacture and distribute the traps in Indonesia.

High Value Horticulture

Training for Broccoli Farmers in West Java

Two trainings were conducted for broccoli farmers in Manoko, Bandung in January 2009. The first was conducted on January 6th, to train 11 broccoli farmers in good land preparation, fertilizing practices, liming, and crop spacing. This activity was primarily focused on interpreting soil test results. The second training was conducted on January 8th for 10 farmers on row cover application to protect broccoli plants from heavy rain. This trial ultimately had a significant impact on production. One of the participant's production in a 1,000 m² demonstration plot increased from around 1.2 tons to 1.8 tons of gross weight resulting in Rp. 5.4 million in total sales revenue, while the cost of production was estimated at only Rp. 2.4 million.



Broccoli trial inspections

Red Ripe Strawberry Program Trainings in Bandung

The Red Ripe Strawberry program has shown promising results during the quarter: high-end markets have been linked through Amazing Farm, a respected horticulture business enterprise. The program has increased the farm gate price by 260% from around Rp. 10,000 to Rp. 26,000 per kg. Four trainings were conducted from January to March 2009 on 1) standard operational procedures, including analyzing soil test results; 2) ice gel packing as a cooling system solving problems of transporting products to buyers in Jakarta; 3) quality control procedures; and 4) institutional strengthening in collaboration with LPPM-UNPAD focused on structure, labor division, and defining staff responsibilities. As an innovative added value product, the farmers also developed strawberry jam, which has received a great deal of interest from buyers.



Packing and labeling strawberries



The final product



Home industry jam making

Bimandiri Packing House Expansion in Garut

AMARTA provided Bimandiri, a specialized modern retail wholesaler, a grant to rehabilitate and expand its packing house. After completion it is estimated the capacity will increase from 2.5 tons to 6.5 tons per day within three years. The project started in December 2008 and was substantially completed in February 2009 with a newly renovated facility that is equipped with standard packing house equipment such as tables, manual roller conveyors, weighing equipment, wrapping and sealer equipment, and blowers.



Completed pack house construction

As a result of this initiative the following impact is anticipated:

- Bimandiri's absorption will increase from 50% to 70%, and overall market absorption will increase 10% per year
- More farmers will be able to supply their products to Bimandiri and income will increase by 15% - 20%
- Expand the market for rural agricultural products, especially vegetables and fruits
- Reduce product loss from production to packing point by 25%

Packing Shed Supports Farmers Collective Marketing in Garut

AMARTA provided a simple packing shed to support new FGs in Garut to undertake collective marketing in order to address farmer's complaints that much of the value added is received by traders and not farmers. AMARTA encouraged farmers to form a small association and around 43 farmers in Sukatani Village, Cisarupan Sub-district,



Packing shade construction begins in Garut

Garut formed two FGs called As Syifa and Dirgantara with around 25 hectares of land, absorbing five workers per hectare [125 people in total; 12,500 man-days per season or 25,000 man days per year]. In addition, the packing shed will employ four full-time workers or around 1,200 man days per year. AMARTA will link these two FGs directly to Bimandiri, and institutional strengthening and packing shed management training will be conducted in April.

High Value Horticulture in North Sumatra

Empowering Citrus Farmers Through Sustainability Training

During the quarter, basic citrus good agricultural practices training was conducted in 16 villages and 21 villages received follow-up training. In total, 1,278 farmers participated consisting of 962 males (75%) and 316 females (25%). Based on AMARTA's monitoring and evaluation data sample of 120 citrus farmers, the following results were attained by participants: production improvement of 30%, improved quality of 50%, a better price by 30%, and higher income for 40%.



Citrus growers show off their improved yields

Establishing and Improving the Citrus Cooperative in Karo District

AMARTA supported the Indonesian Citrus Society (ICS) Cooperative, North Sumatera to become a self sustainable cooperative institution after the AMARTA program is completed. The activities will not only serve as knowledge transfer institution, but also serve as an information provider of input supplies and repository of fair prices for members that will benefit the farmers. From January – March 2009, 29 new citrus farmer cooperatives were established with 795 members. These cooperatives could potentially generate revenue up to Rp. 2-3 million per month (\$166-\$261) and ICS revenue up to Rp. 150 million per month (\$13,045).

Training Carrot Farmers in Berastagi

AMARTA conducted trainings in six villages, Gongsol, Merdeka, Ujung Aji (Berastagi Sub-district), Sukadame, Bunuraya (Tiga Panah Sub-district), and Singa Village (Kabanjahe Sub-district). In each village, AMARTA collaborated with representatives and 25 members practiced on 1,000m² carrot demonstration plots with field preparation, good seed quality preparation, seed spacing, and post harvest handling practices. A total of 150 farmers who manage 45 hectares of land participated in the training, with immediate results of the efforts illustrated through improved harvest quality up to 80% compared to prior intervention practices, and increased income of 20%. On average, farmers who applied AMARTA trainings improved their productivity and quality up to 7,500 kg per 3,000 m², with an average price of Rp. 1,800 per kg, while farmers who did not participate in AMARTA trainings produced only 2,500 kg per 3,000 m² with an average price of Rp. 1,500 per kg.



Women carrot farmers practicing new skills learned during training

Improving Barangan Banana Variety Seeds and Marketing in Deli Serdang

From January – March 2009, AMARTA continued providing banana double-row planting training and technical assistance to 148 farmers (125 men, 23 women) covering 202 hectares. In each village, AMARTA collaborated with FGs, the Barangan Banana Society, BPTP, and government extension services on farmer demonstration plots. AMARTA also collaborated with PT. Tamora Stekindo to supply 12,500 plantlets in order to demonstrate clean planting material. Over 3,000 plantlets have already been distributed to the nursery fields which will be planted in six villages. PT. Sewu Segara Nusantara continued to collect and distribute bananas from Deli Serdang since January 2009 totaling 20,000 hands per month valued at Rp. 138 million (\$12,000) shipped to Jakarta. Farmers received a 66% premium value at Rp. 5,000 per hand (\$44), while before AMARTA's intervention the sales price was Rp. 3,000 per hand (\$26). As a consequence, farmers increased their total income up to 86%, or Rp. 28.5 million (\$2,478) versus their previous level of Rp. 15 million (\$1,304).

Floriculture

USAID requested that floriculture activities be terminated, and based on previous discussions AMARTA had planned for the phase out of this value chain. No new activity was completed during the quarter; however AMARTA will include Floriculture in the final report to USAID in September 2009.

Natural Rubber

USAID requested that rubber activities be terminated, however significant activities were completed during the quarter as noted below:

Rubber Cultivation Training and Delivering Planting Material in Mandailing Natal District, North Sumatera Province

Rubber is one of the most important commodities in the Madina (Mandailing Natal) District, North Sumatera Province along with palm oil. During the quarter, AMARTA collaborated with several partners including Bridgestone and the Madina District Estate Crops Service. Each partner provided a different contribution with Bridgestone providing 30,000 planting materials, the Madina Estate Crop Service provided transportation costs for rubber planting materials from Dolok Marangir to Mandailing Natal amounting to Rp. 118,750,000 (\$10,326), and AMARTA facilitated the first training session in best practice rubber cultivation. Based on the baseline survey conducted by AMARTA, rubber smallholders in the district lacked information of best practice cultivation, had limited access to high quality rubber planting materials, and had little understanding of rubber disease control methods. Subsequently, in December 2008 and January 2009, AMARTA trained 170 rubber farmers and government extension personnel with a total of 217 hectares under management in the first training session that introduced a range of seven new technologies and best practices.

Rubber Cultivation Training and Delivering Planting Material in Deli Serdang District, North Sumatera Province

AMARTA collaborated with partner Bridgestone Sumatera Rubber Estate in providing rubber commodity training and technical assistance in Deli Serdang District. Bridgestone contributed 20,450 rubber planting materials, FGs provided transportation costs for the rubber planting materials from Dolok Marangir to Deli Serdang totaling Rp. 16,000,000 (\$1,391), and AMARTA facilitated the first training session on best practices rubber cultivation. On January 14th, AMARTA trained 44 farmers and government extension personnel with a total of 76 hectares under management in the first training session that introduced a range of eight new technologies and best practices for rubber smallholders.

Seaweed

During the quarter, AMARTA worked with 390 farmers, divided into 39 groups. These farmers have planted 600 kilometers of line, with a monthly production of approximately 92 tons. At the current price of \$.80 per kg, this translates to \$220,800 in farmer income for the quarter, or \$212 per month per household.

At the request of USAID, AMARTA ended this component in March, 2009. AMARTA and its partner SeaPlant Net held a close-out work for 100 seaweed farmers in Tologio and Lemito on March 5th and 7th. These farmers represented all the groups who have received technical assistance from the program in both Pohuwato and North Gorontalo

Regencies. Staff members from the Marine and Fisheries Department also attended the workshops. Copies of nine different training modules were distributed to all farmers.

The seaweed nurseries established with assistance from AMARTA are expected to continue to operate, since they are owned and managed by the FGs. Local government will continue to provide equipment, such as ropes and floats. It is hoped that the Marine and Fisheries Department will provide technical assistance to these farmers. Farmers will be able to access on-line technical assistance from other farmers through the web site www.jasuda.net. This web site, which was established by SeaPlant Net has more than 2,600 members across Indonesia.

Papua Agriculture Development Alliance (PADA)

Kokonao

Ice Factory

The ice factory continued to operate efficiently this quarter and provided tremendous benefits to local fishermen. A full time manager from the Cooperative Maria Bintang Laut runs the daily management of the ice factory, while AMARTA-PADA occasionally send professional technicians from Timika to assist with heavy and more complex repairing work of the factory. The factory is operated by two full-time technicians from the local community that received training through PADA's assistance. In the next quarter, PADA will send staff to create a manual for the grantee as a guide to operate the ice factory, electrical equipment, boat, and fiberglass material. By doing so, the dependency of the grantee can be greatly reduced and the Cooperative will be able to take over the entire operation and become self sufficient.

The diesel fuel for the ice factory is still being subsidized by PT. Freeport Indonesia as part of their in-kind contribution to PADA. The Cooperative now transports the fuel on its own and no longer needs outside assistance. At the same time, the Cooperative continues to adjust the price of ice and fish in Timika to reach a point where it can make enough profit to start supplying fuel for the ice factory using its own resources.

During the quarter there was a considerable drop in the amount of fish purchased due to the end of the Baramundi season, as well as some social and political reasons: some of the fishermen did not fish since cash was handed out by the provincial government as part of the RESPEK fund for village-base development. Moreover, many of the people became busy with political activities with the national elections coming up in April. The relatively easy money earned by villagers deterred them from their usual fishing activities. While the amount of fish supplied has dropped, the Cooperative continues to do its best to meet the demand of its regular customers in Timika, which include PT Pangansari and the Timika Community Hospital.

Although overall purchasing decreased, the Cooperative continues to spend money to buy any fish available. Hence the money spent and in circulation in Kokonao continues to increase. In October 2008 the Cooperative spent Rp. 34,734,500 (\$3,020) to purchase fish from fishermen in Kokonao and other villages along the Mimika River and the coastal area. The total amount spent on buying fish from local fishermen is up to Rp. 248,861,000 (\$21,640).

Fiberglass Boats

An additional 200 kg of fiberglass materials are now stored in Kokonao. The training for local boat builders continued and additional training will resume in mid-April for villagers interested in establishing small fiberglass boat building enterprises. In addition, work will begin on constructing small fiberglass transport boxes for supplying fish from Kokonao to Timika.

Transport boat

Work is underway on redesigning the propeller of the transport boat to increase its speed. Currently the boat consumes 30-35 liters of fuel per trip and it takes seven hours to go from Kokonao to Timika. In addition an ice box will be installed in the boat to help preserve the fish during transport to the market in Timika.

Soft shell crab production

Trade activities will continue next quarter highlighted by two-day training in the technical procedures and initial guidance for the operators of the pilot operation site. Future extension of this component will be by private family-based operators and marketing through the Cooperative.

Papua Coffee Development

Wamena

The previously produced 12 tons of processed green coffee was transported by air to the town of Jayapura and is currently being stored in the warehouse provided by the government. Representatives from PT. Menacom conducted quality testing in January to ensure compliance with requirements of Starbucks Corporation, and unfortunately the shipment was rejected. However a contract is being completed between Baliem Arabica Cooperative and PT. Pangansari, Freeport's catering firm, to supply 12 tons of roasted and grinded coffee annually, or one ton per month. There is a possibility to increase the supply to 48 tons per year, or four tons a month over the next two years if the quality and performance of supply meet PT. Pangansari's standards. The Cooperative will work in cooperation with the Amungme Gold Co. to roast, grind and pack the coffee in Timika to be supplied to PT. Pangansari. Negotiations with PT. Pangansari are ongoing for the first contract as the Cooperative offered a price of Rp. 60,000 per kg of roasted coffee, while PT Pangansari requested that the price be lowered to Rp. 56,000 per kg.

The price to roast, grind and pack the coffee is Rp. 5,000 per kg. The final price and contract agreement will be determined on April 17th, and the Cooperative will immediately begin shipping coffee from Jayapura to Timika.

There was no coffee buying or processing taking place in January and February since the new crop season starts in late April. Instead the AMARTA-PADA team and



Training participants in Wamena gather together after the event

the Cooperative Baliem Arabica focused on creating an internal control system, which includes a farmer registration process. For three weeks in January, an AMARTA consultant help monitor the farmers' registration and the way in which the Cooperative conducted the process. Although the Cooperative is in charge of carrying out the task, the farmers are also informed about the purpose of the process and what it entails. To accomplish this objective the Cooperative conducted certification and internal control training sessions at each coffee producing district throughout the Baliem Valley. As a result, more than 500 farmers were registered and agreed to comply with the requirements to obtain organic and fair trade certification. Beginning in mid-April the Cooperative will start coffee buying and processing to prepare the second container for shipment to Starbucks.

Moanemani

The first 250 kg of unsorted green coffee from Moanemani was sold to the Amungme roasting facilities in Timika for Rp. 30,000 per kg. Amungme Gold Co. already inquired about the purchase of an additional 500 kg for next month. The new coffee blooming and harvest season in Moanemani will not start until May. During the quarter, activities focused on establishing a more robust quality control system that includes a registration process for farmers, noting their agreement to comply with the organic and fair trade standards in order to be certified. With the certificates the farmers are guaranteed a better price for their coffee.



Farmers learn about certification in Moanemani

The internal control training will take place in April in four locations; Moanemani, Bomemani, Idakebo, and Egebutu. The field coordinator from each location will first be trained by an AMARTA consultant and together they will go to each location to train farmers. These coordinators will later be in charge of village-to-village quality control to ensure farmers' compliance with fair trade standards. Once the system is operating effectively an inspector from CERES Company will perform inspection and determine whether a farm can be certified organic.

Agimuga

The reconditioning of the two kilometer road to the new site for the swine farm and construction of two small bridges were completed during the quarter. Between October-November 2008, rice farmers planted rice in five different plots of one hectare each, totaling five hectares. Between January and February 2009 the rice farmers harvested the five plots and each hectare produce up to five tons of rice. This means that on this trial planting the farmers produced approximately 25 tons of rice. For the farmers, planting the rice is not the problem, but the lack of rice hulling equipment makes it difficult because they have to bring the yield to Timika and pay a high cost to hull or mill the rice there. In March 2009, AMARTA-PADA granted new rice hulling equipment for the village of Armasolki. It took only one day to install and the rice hulling activity began immediately. This was a significant moment because it was the first time that the people in Agimuga processed their own rice in Agimuga and did not have to transport the raw product all the way to Timika. Currently 1,000 kg of rice have



Farmers learn about certification in Moanemani

been processed for local consumption and the farmers have decided to sell the excess rice at an affordable price to the neighboring villages. For instance, the current price of rice is Rp. 20,000 per kg in remote areas, though the rice farmers from Agimuga calculated that they can sell their excess yield at Rp. 12,000 per kg and still make a profit. Once again, the value added services provided by farmers proves to increase their income.

Materials available in the village for pig pens construction were gathered by the locals and paid for by the grantee, the Catholic Church. Currently, basic material and necessary equipment to build the pig pens are on site and the initial work has begun. A medium size, four-wheel drive John Deere farm tractor was purchased by AMARTA and provided to the people of Agimuga. Currently, construction of a trailer for the tractor is being completed. In addition a raft to transport the John Deere tractor and the trailer has been designed and will be built next quarter. AMARTA continues to work with the Catholic Church in Agimuga and Timika to manage production and marketing of rice and pigs. The teams along with the farmers' groups are also looking into the possibility of creating a farmers' cooperative.



PADA Coordinator, Kornel Gartner, after installing the coffee huller in Moanemani

AMARTA Indicators for Quarter 2 (January - March 2009)

INDICATORS		Aqua culture	Natural Rubber	Cocoa	Coffee	Beef Livestock	Vegetables	Tropical Fruit & Flowers	Bio- fuels	Seaweed	RACA	Total
Number of additional hectares under improved technologies or management practices as a result of USG assistance	Actual 2007	-	-	4,215	-	-	-	1,137	-	-	-	5,352
	Actual 2008	-	535	20,803	7,200	-	665	2,161	40	-	-	31,404
	Q2 2009	-	126	965	-	-	110	1,216	-	-	-	2,417
	Actual 2009	-	1,782	9,527	1,089	-	180	2,231	-	-	-	14,809
	LOP Actual	-	2,317	34,545	8,289	-	845	5,529	40	-	-	51,565
	LOP Target	-	1,300	21,510	19,395	-	1,107	4,022	110	-	-	47,444
Number of additional units of animal, fish and other aquaculture products under improved technologies or management practices as a result of USG assistance	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Actual 2008	14,140	-	-	-	300	-	-	-	2,203	-	16,643
	Q2 2009	26,498	-	-	-	25	-	-	-	1,340	-	27,863
	Actual 2009	37,558	-	-	-	39	-	-	-	526	-	38,123
	LOP Actual	51,698	-	-	-	339	-	-	-	2,729	-	54,766
	LOP Target	60,030	-	-	-	590	-	-	-	14,800	-	75,420
Number of producer organizations, water user associations, trade and business associations, and community-based organizations (CBOs)	Actual 2007	-	-	150	-	-	-	9	-	-	-	159
	Actual 2008	5	18	900	301	16	120	70	2	15	110	1,557
	Q2 2009	-	4	-	-	22	2	138	-	-	94	260
	Actual 2009	-	4	-	-	22	3	272	-	-	113	414
	LOP Actual	5	22	1,050	301	38	123	351	2	15	223	2,130

receiving USG assistance	LOP Target	34	84	910	361	9	77	81	2	17	140	1,715
Number of agriculture related firms benefiting directly from USG supported interventions	Actual 2007	-	-	3	-	-	-	4	-	-	-	7
	Actual 2008	11	10	13	16	2	16	10	1	2	24	105
	Q2 2009	-	-	2	-	-	3	-	-	-	-	5
	Actual 2009	-	-	2	4	-	3	-	-	-	-	9
	LOP Actual	11	10	18	20	2	19	14	1	2	24	121
	LOP Target	71	32	4	51	3	76	10	1	2	-	250
Number of individuals (men and women) who have received USG supported short-term agriculture sector productivity training	Actual 2007	-	-	10,100	-	-	957	579	-	-	-	11,636
	Actual 2008	322	445	31,459	7,500	275	915	2,512	718	148	994	45,288
	Q2 2009	50	137	15,709	790	-	237	1,449	-	-	344	18,716
	Actual 2009	192	384	28,378	1,026	-	368	3,141	-	218	433	34,140
	LOP Actual	514	829	69,937	8,526	275	2,240	6,232	718	366	1,427	91,064
	LOP Target	1,950	1,825	39,440	15,510	700	4,432	7,914	3,550	800	5,400	81,521
Percent change in value of international exports of targeted agricultural commodities as a results of USG assistance	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Actual 2008	-	-	119	100	-	-	-	-	100	-	106
	Q2 2009	-	-	704	100	-	-	-	-	-	-	402
	Actual 2009	-	-	102	100	-	-	-	-	100	-	101
	LOP Actual	-	-	111	100	-	-	-	-	100	-	104
	LOP Target	66	-	45	89.0	-	18	-	-	50	-	54
Percent change in value of purchases from smallholders of targeted commodities as a result of USG assistance	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Actual 2008	100	-	89	100	-	-	87	-	100	-	95
	Q2 2009	-	-	1,216	100	-	-	-	-	100	-	472
	Actual 2009	-	-	620	100	-	-	100	-	100	-	230

	LOP Actual	100	-	355	100	-	-	94	-	100	-	150
	LOP Target	171	8	30	59	100	50	26	-	100	-	68
Number of new technologies or management practices made available for transfer as a result of USG assistance	Actual 2007	-	-	5	-	-	-	5	-	-	-	10
	Actual 2008	24	14	23	13	1	23	28	3	5	-	134
	Q2 2009	-	1	1	-	-	1	1	-	1	-	5
	Actual 2009	-	1	3	-	-	6	2	-	2	-	14
	LOP Actual	24	15	31	13	1	29	35	3	7	-	158
	LOP Target	25	14	24	13	1	23	28	3	1	-	132
Number of additional surveillance and/or control systems in place for agricultural threats	Actual 2007	-	-	-	-	-	-	-	-	-	-	-
	Actual 2008	6	2	1	3	1	-	1	-	1	-	15
	Q2 2009	-	-	-	-	-	-	-	-	2	-	2
	Actual 2009			1						2		3
	LOP Actual	6	2	2	3	1	-	1	-	3	-	18
	LOP Target	6	2	1	3	1	-	1	-	1	-	15
Number of public-private partnerships formed as a result of USG assistance.	Actual 2007	-	-	2	2	1	-	-	-	-	4	9
	Actual 2008	2	3	4	4	1	2	1	1	-	-	18
	Q2 2009	-	-	-	-	-	-	-	-	-	-	-
	Actual 2009	-	-	-	-	-	-	-	-	-	-	-
	LOP Actual	2	3	4	5	1	2	1	1	-	-	19
	LOP Target	2	3	4	5	1	2	1	1	-	-	19